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1 pertaining to defendant Wiggs raised by the complaint the  
2 Commission filed against defendants Source One Publications,

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1 amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996);

2 6. Defendant Wiggs has waived all rights to seek  
3 appellate review or otherwise challenge or contest the  
4 validity of this Order, and has further waived and releases  
5 any claim she may have against the Commission, its employees,  
6 and agents;

7 7. Entry of this Order is in the public interest; and

8 8. Defendant Wiggs enters into this Order freely and  
9 without coercion and acknowledges that she understands the  
10 provisions of this Order and is prepared to abide by them.

11 **DEFINITIONS**

12 1. "Consumer" means a purchaser, customer, subscriber,  
13 or natural person.

14 2. "Telemarketing" means a plan, program, or campaign  
15 that is conducted to induce the purchase of goods or services  
16 by use of one or more telephones and involves more than one  
17 interstate telephone call made to or from any customer.

18 3. "Credit Card Protection" means the advertisement,  
19 promotion, offering for sale, or sale of any product or  
20 service represented to register credit or debit accounts,  
21 including credit card accounts, or protect, indemnify, or  
22 reimburse the holder of a credit or debit account against  
23 unauthorized use or charges.

24 **I. BAN ON SELLING OR MARKETING CREDIT CARD PROTECTION**

25 **IT IS THEREFORE ORDERED** that defendant Wiggs, and her  
26 successors, assigns, agents, employees, officers, and

1 service or otherwise, are permanently restrained and enjoined  
2 from engaging in, receiving any remuneration of any kind  
3 whatsoever from, holding any ownership interest, share, or  
4 stock in, or serving as an officer, director, or trustee of  
5 any business entity engaged, in whole or in part, in credit  
6 card protection.

7 **II. BOND TO ENGAGE IN TELEMARKETING**

8 **IT IF FURTHER ORDERED** that defendant Wiggs, in connection  
9 with any business where (1) she is the majority owner of the  
10 business or directly or indirectly controls the business, and  
11 where (2) the business is engaged in telemarketing or  
12 assisting others engaged in telemarketing, is permanently  
13 restrained and enjoined from failing to obtain or post a  
14 performance bond in the principal sum of TWO HUNDRED THOUSAND  
15 DOLLARS for each corporation, subsidiary, division,  
16 partnership, sole proprietorship, or other device, prior to  
17 the start of any telemarketing activity by any such entity:

18 A. This bond shall be conditioned upon compliance with  
19 Section 5 of the FTC Act, 15 U.S.C. § 45, the provisions of  
20 this Order, the TSR, or any other statute enforced by the  
21 Commission. The bond shall be deemed continuous and remain in  
22 full force and effect as long as the defendant continues to  
23 engage in the business of advertising, promoting, offering for  
24 sale, sale, or distribution of any product or service while  
25 utilizing telemarketing as a means of achieving the sale, and  
26 for at least three years after defendant has ceased to engage  
27 in such business. The bond shall cite this Order as the  
28 subject matter of the bond, and shall provide surety

1 thereunder against financial loss resulting from any violation  
2 of Section 5 of the FTC Act, 15 U.S.C. § 45, the provisions of  
3 this Order, the TSR, or any other statute enforced by the  
4 Commission;

5 B. The performance bond requirement pursuant to this  
6 Section shall be an insurance agreement providing surety for  
7 financial loss issued by a surety company that is admitted to  
8 do business in each of the states in which the defendant is  
9 doing business and that holds a Federal Certificate of  
10 Authority As Acceptable Surety on Federal Bond and Reinsuring.  
11 Defendant shall provide a copy of such performance bond to the  
12 Commission prior to the commencement of any business for which  
13 the bond is required; provided however, that until such bond  
14 is obtained from an appropriate surety, defendant may deposit  
15 the bond amount with her attorney, Robert Mothershead, Esq.,  
16 who shall hold the money in trust and said funds will  
17 constitute said bond under the provisions stated herein. Each  
18 such performance bond shall be in favor of both (i) the  
19 Federal Trade Commission for the benefit of any consumer  
20 injured as a result of any violation of Section 5 of the FTC  
21 Act, 15 U.S.C. § 45, the provisions of this Order, the TSR, or  
22 any other statute enforced by the Commission made while  
23 engaged in the business of selling products or services  
24 through telemarketing and (ii) any consumer so injured;

25 C. The bond requirement pursuant to this Section is in  
26 addition to, and not in lieu of, any other bond required by  
27 federal, state, or local law;

28 D. Defendant Wiggs shall provide a copy of the bond

1 required by this Section to the Assistant Regional Director of

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1 § 226.12(b);

2 F. Misrepresenting that a consumer has purchased or has  
3 agreed to purchase a good or service, and therefore owes money  
4 to the seller;

5 G. Failing to comply with the TSR, 16 C.F.R. Part 310,  
6 as currently written or amended;

7 H. Making any material misrepresentation about a  
8 consumer's credit-related rights or obligations under the law;  
9 and

10 I. Misrepresenting, or failing to disclose, any other  
11 fact material to a consumer's decision to purchase a good or  
12 service.

13 **IV. DISTRIBUTION OF CUSTOMER RECORDS**

14 **IT IS FURTHER ORDERED** that defendant Wiggs, and her  
15 successors, assigns, agents, employees, officers, and  
16 servants, and those persons in active concert or participation  
17 with her who receive actual notice of this order by personal  
18 service or otherwise, are hereby permanently restrained and  
19 enjoined from providing to any person, except agents of the  
20 Commission or other law enforcement authorities, the name,  
21 address, telephone number, or credit card or bank account  
22 number of any consumer who provided such information to or did  
23 business with the defendant, her successors, assigns, agents,  
24 employees, officers, servants, and persons who acted in  
25 concert or participation with her; provided, however, that  
26 defendant and the aforementioned entities may provide such  
27 information if required to do so by Court Order.

28 **V. RECORDING OF SALES CALLS**

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1 disposal methods and procedures to be specified by the  
2 Commission. The Commission may, in its sole discretion,  
3 require that such records, in whole or in part, be  
4 transferred, in lieu of destruction, to the Commission.

5 **VII. MONITORING COMPLIANCE OF SALES PERSONNEL**

6 **IT IS FURTHER ORDERED** that defendant Wiggs, in connection  
7 with any business where (1) defendant Wiggs is the majority  
8 owner of the business or directly or indirectly controls the  
9 business and where (2) the business is engaged in  
10 telemarketing, or assisting others engaged in telemarketing,  
11 is hereby permanently restrained and enjoined from:

12 A. Failing to take reasonable steps sufficient to  
13 monitor and ensure that all employees and independent  
14 contractors engaged in sales or other customer service  
15 functions comply with the restrictions placed on defendant by  
16 Section III of this Order, the FTC Act, and the TSR. Such  
17 steps shall include adequate monitoring of sales presentations  
18 or other calls with customers, and shall also include, at a  
19 minimum, the following:

20 1. Listening to oral representations made by  
21 persons engaged in sales or other customer service functions;

22 2. Establishing a procedure for receiving and  
23 responding to consumer complaints;

24 3. Ascertaining the number and nature of consumer  
25 complaints regarding transactions in which each employee or  
26 independent contractor is involved;

27 provided that this Section does not authorize or require the  
28 defendant to take any steps that violate any federal, state,

1 or local laws;

2 B. Failing promptly to fully investigate any consumer  
3 complaint received by any business to which this Section  
4 applies; and

5 C. Failing to take corrective action with respect to any  
6 sales person whom defendant Wiggs determines is not complying  
7 with the conditions stated in this Order. Such corrective  
8 action may include training, disciplining, and/or terminating  
9 such sales person.

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1 termination, if applicable. The businesses subject to this  
2 Section shall retain such records for any terminated employee  
3 for a period of two years following the date of termination;

4 C. Records containing the names, addresses, phone  
5 numbers, dollar amounts paid, quantity of items or services  
6 purchased or provided, and description of items or services  
7 purchased or provided for all consumers to whom such business  
8 has sold or provided any goods or services;

9 D. Records that reflect, for every consumer complaint  
10 or refund request, whether received directly or indirectly or  
11 through any third party:

12 1. The consumer's name, address, telephone number  
13 and the dollar amount paid by the consumer;

14 2. The written complaint or refund request, if any,  
15 and the date of the complaint or refund request;

16 3. The basis of the complaint, including the name  
17 of any salesperson complained against, and the nature and  
18 result of any investigation conducted concerning any  
19 complaint;

20 4. Each response and the date of the response;

21 5. Any final resolution and the date of the  
22 resolution; and

23 6. In the event of a denial of a refund request,  
24 the reason for the denial; and

25 E. Copies of all sales scripts, training materials,  
26 advertisements, or other marketing materials utilized;  
27 provided that copies of all sales scripts, training materials,  
28 advertisements, or other marketing materials utilized shall be

1 retained for three years after the last date of dissemination  
2 of any such materials.

3 **IX. COMPLIANCE REPORTING BY DEFENDANT**

4 **IT IS FURTHER ORDERED** that, in order that compliance with  
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1 proposed change in the corporation about which defendant Wiggs  
2 learns of less than thirty days prior to the date such action  
3 is to take place, she shall notify the Commission as soon as  
4 is practicable after learning of such proposed change;

5 B. One hundred eighty days after the date of entry of  
6 this Order, defendant Wiggs shall provide a written report to  
7 the Commission, sworn to under penalty of perjury, setting  
8 forth in detail the manner and form in which she has complied  
9 and is complying with this Order. This report shall include  
10 but not be limited to:

11 1. Her then current residence address and telephone  
12 number;

13 2. Her current employment, business addresses and  
14 telephone numbers, a description of the business activities of  
15 each such employer, and responsibilities for each employer;

16 3. A copy of each acknowledgment of receipt of this  
17 Order obtained by defendant Wiggs pursuant to Section XII;

18 4. A statement describing the manner in which  
19 defendant Wiggs has complied and is complying with the (a) the  
20 injunctive provisions of this Order (Sections I-V), and (b)  
21 the consumer redress provisions of this Order (Section VI);

22 C. Upon written request by a representative of the  
23 Commission, defendant Wiggs shall submit additional written  
24 reports (under oath, if requested) and produce documents on  
25 fifteen days' notice with respect to any conduct subject to  
26 this Order;

27 D. For the purposes of this Order, defendant Wiggs  
28 shall, unless otherwise directed by the Commission's

1 authorized representatives, mail all written notifications to  
2 the Commission to: Assistant Regional Director, Federal Trade  
3 Commission, 10877  
4 Wilshire Blvd., Suite 700, Los Angeles, California 90024, or  
5 such other address as the Commission shall designate in  
6 writing;

7 E. For the purposes of this Section, "employment"  
8 includes the performance of services as an employee,  
9 consultant, or independent contractor; and "employers" include  
10 any individual or entity for whom defendant Wiggs performs  
11 services as an employee, consultant, or independent  
12 contractor; and

13 F. For purposes of the compliance reporting required by  
14 this Section, the Commission is authorized to communicate  
15 directly with defendant Wiggs.

16 **X. AUTHORITY TO MONITOR COMPLIANCE**

17 **IT IS FURTHER ORDERED** that the Commission is authorized  
18 to monitor defendant Wiggs' compliance with this Order by all  
19 lawful means, including but not limited to the following:

20 A. The Commission is authorized, without further leave  
21 of the Court, to obtain discovery from any person in the  
22 manner provided by Chapter V of the Federal Rules of Civil  
23 Procedure, Fed. R. Civ. P. 26 - 37, including the use of  
24 compulsory process pursuant to Fed. R. Civ. P. 45, for the  
25 purpose of monitoring and investigating defendant Wiggs'  
26 compliance with any provision of this Order;

27 B. The Commission is authorized to use representatives  
28 posing as consumers or suppliers to defendant, her employees,

1 or any other entity managed or controlled in whole or in part  
2 by her, without the necessity of identification or prior  
3 notice; and

4 C. Nothing in this Order shall limit the Commission's  
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1           B. To interview the officers, directors, and employees,  
2 including all personnel involved in responding to consumer  
3 complaints or inquiries, and all sales personnel, whether  
4 designated as employees, consultants, independent contractors  
5 or otherwise, of any business to which Subsection (A) applies,  
6 concerning matters relating to compliance with the terms of  
7 this Order. The person interviewed may have counsel present;  
8 and

9           C. Upon application of the Commission and for good cause  
10 shown, the Court may enter an *ex parte* order granting  
11 immediate access to defendant Wiggs' business premises for the  
12 purposes of inspecting and copying all documents relevant to  
13 any matter contained in this Order.

14                   **XII. DISTRIBUTION OF ORDER BY DEFENDANT**

15           **IT IS FURTHER ORDERED** that, for a period of five years  
16 from the date of entry of this Order, defendant Wiggs shall:

17           A. Provide a copy of this Order to, and obtain a signed  
18 and dated acknowledgment of receipt of same from, each officer  
19 or director, each individual serving in a management capacity,  
20 all personnel involved in responding to consumer complaints or  
21 inquiries, and all sales personnel, whether designated as  
22 employees, consultants, independent contractors or otherwise,  
23 immediately upon employing or retaining any such persons, for  
24 any business where (1) either defendant is the majority owner  
25 of the business or directly or indirectly controls the  
26 business, and where (2) the business is engaged in selling or  
27 marketing any product or service; and

28           B. Maintain for a period of three years after creation,

1 and upon reasonable notice, make available to representatives  
2 of the Commission, the original signed and dated  
3 acknowledgments of the receipt of copies of this Order, as  
4 required in  
5 Subsection A.

6 **XIII. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT**

7 **IT IS FURTHER ORDERED** that within five business days  
8 after receipt by defendant Wiggs of this Order as entered by  
9 the Court, she shall submit to the Commission a truthful sworn  
10 and notarized statement, in the form shown on Attachment B,  
11 that shall acknowledge receipt of this Order as entered.

12 **XIV. RETENTION OF JURISDICTION**

13 **IT IS FURTHER ORDERED** that this Court will retain  
14 jurisdiction of this matter for the purpose of enabling any of  
15 the parties to this Order to apply to the Court at any time  
16 for such further orders or directives as may be necessary or  
17 appropriate for the interpretation or modification of this  
18 Order, for the enforcement of compliance therewith or the  
19 punishment of violations thereof.

20 Defendant Wiggs and the Commission, through its counsel,  
21 hereby consent to the terms and conditions of this Stipulation  
22 as set forth above and consent to the entry of a Court order  
23 with the same terms. Defendant Wiggs waives any rights that  
24 may arise

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1 under the Equal Access to Justice Act, 28 U.S.C. § 2412,  
2 amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

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DATED: \_\_\_\_\_  
COURTNEY WIGGS  
Defendant

DATED: \_\_\_\_\_  
RAYMOND E. MCKOWN  
KENNETH H. ABBE  
Attorneys for Plaintiff  
Federal Trade Commission

APPROVED AS TO FORM:

DATED: \_\_\_\_\_  
ROBERT MOTHERSHEAD  
Attorney for Defendant  
Courtney Ann Wiggs

ATTACHMENT A

WARNING  
DON'T SIGN UP OR PAY MONEY UNTIL YOU READ THIS NOTICE

Please initial where applicable:

1. I understand that the company that is offering to sell me this product or service, (\*company name, to be completed by seller), is not related in any way to Visa, MasterCard, or any bank that issues credit cards.

Consumer initial here\_\_\_\_\_

[if product/service relates to low interest credit cards]

2. I understand that (\*company name, to be completed by seller) cannot help me get any credit card. I understand that they are selling a list of banks that offer credit cards, that the banks will decide whether or not they will issue me a credit card and at what interest rate, that (\*company name) has not determined whether I will qualify for credit with any of those banks, and that I could get bank information myself from other sources.

Consumer initial here\_\_\_\_\_

3. I understand that, once this authorization is received by the company selling me this product or service, my credit card account will be charged \$\_\_\_\_\_, by (company name, to be completed by seller).

Consumer initial here\_\_\_\_\_

[if proposed transaction is an account debit]

4. I understand that, once this authorization is received by the company selling me this service, my bank account number \_\_\_\_\_ will be debited the amount of \$ \_\_\_\_\_.

Consumer initial here\_\_\_\_\_

5. I understand that the company's refund policy is (\*to be completed by seller).

I read and signed this notice on \_\_\_\_\_.  
(Date)

CONSUMER'S SIGNATURE:

\_\_\_\_\_

CONSUMER'S NAME (please print):

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1 Inc., et al. CV. 99 - 1636 PHX RCB (United States District  
2 Court for the District of Arizona).

3 3. On [date], I received a copy of the Final Judgment and  
4 Order for Permanent Injunction Against Defendant Courtney Ann  
5 Wiggs, which was signed by the Honorable [name of U.S.  
6 District Judge] and entered by the Court on [date of entry of  
7 Order]. A true and correct copy of the Order I received is  
8 appended to this Affidavit.

9 I declare under penalty of perjury under the laws of the  
10 United States that the foregoing is true and correct. Executed  
11 on [date], at [place]

12 \_\_\_\_\_  
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14 [Name of Defendant & signature]

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18 State of \_\_\_\_\_, City of \_\_\_\_\_

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20 Subscribed and sworn to before me  
21 this \_\_\_\_ day of \_\_\_\_\_, 2000.

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25 Notary Public  
26 My Commission Expires:  
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CERTIFICATE OF SERVICE

My name is Raymond E. McKown. I am an attorney employed by the Federal Trade Commission, 10877 Wilshire Boulevard, Suite 700, Los Angeles, California 90024. On May 14, 2001, I placed the documents captioned: "Stipulation for Entry of Final Judgment and Order for Permanent Injunction Against Defendant Courtney Ann Wiggs," and "(Proposed) Final Judgment and Order for Permanent Injunction Against Defendant Courtney Ann Wiggs," in the first class, United States mail, postage prepaid, addressed to the following:

United States Trustee  
2929 North Central Avenue, Room 700  
Phoenix, AZ 85012

Robert Mothershead, Esq.  
Robert Mothershead, PC  
420 West Roosevelt Road  
Phoenix, AZ 85003-1325

Adam Nach, Esq.  
Lane & Nach, PC  
301 East Virginia, Suite 3500  
Phoenix, AZ 85004

Joseph M. Hillegas, Jr., Esq.  
Ayers & Brown, PC  
4227 No. 32<sup>nd</sup> Street, First Floor  
Phoenix, AZ 85018

1 Sue A. Klein, Esq.  
Office of the United States Attorney  
2 U.S. Courthouse  
230 North 1<sup>st</sup> Avenue, Room 4000  
3 Phoenix, AZ 85025  
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8 / / /  
Richard Hinz, Esq.  
Office of the Arizona Attorney General  
9 1275 West Washington  
Phoenix, AZ 85007  
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12 I declare under penalty of perjury that the foregoing is  
13 true and correct. Executed this 14<sup>th</sup> day of May 2001 at Los  
14 Angeles, California.

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Raymond E. McKown  
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